

REMARKS

In response to the above identified final Office Action, the Applicants submit the above amendments and respectfully request reconsideration in view of the remarks below. Claims 1, 9 and 20 are amended. No claims have been added or cancelled. Accordingly, claims 1-22 are pending in the application.

I. Examiner Interview

The Applicant's Attorney, Jonathan S. Miller and the Examiner, Paul Shumate conducted an interview on August 4, 2010. A draft of the attached declaration was discussed. The Examiner indicated that the declaration was stronger than the previously submitted declaration and further suggested clarifying the importance of the elements of the claims being performed by a third party (i.e., the payroll ACH service provider – see item 8 in the Declaration) and tying the language of the claim as closely as possible to the Declaration, as well as clarifying that this combination of features is not present in competitive products. The Applicants have endeavored to incorporate these suggestions into the Amendments herein and the Declaration.

II. Claims Rejected Under 35 U.S.C. § 103

Claims 1-4, 7-13 and 15-22 stand rejected under 35 U.S.C. § 103 as allegedly being unpatentable over U.S. Patent No. 6,411,938 issued to Gates (hereinafter "Gates") in view of "Strategic Outsourcing" by Alexander, Marcus and Young (hereinafter "Alexander"). Claims 5 and 6 stand rejected under 35 U.S.C. § 103 as allegedly being unpatentable over Gates in view of Alexander and in further view of U.S. Patent No. 5,987,433 issued to Crapo (hereinafter "Crapo"). Claim 14 stands rejected under 35 U.S.C. § 103 as being unpatentable over Gates in

view of Alexander and in further view of U.S. Patent No. 5,117,356 issued to Marks (hereinafter “Marks”).

The Applicant submits herewith a Declaration under 37 C.F.R. § 1.132 to rebut the Examiner’s *prima facie* case of obviousness. The Declaration is from Alden Blowers, C.E.O. of Cache Banq who is inventor and owner of the present application. The Declaration submitted herewith asserts that the commercial success of the inventor’s product that encompasses all of the elements of the present claims, as amended, is evidence that the claims are not obvious over the cited references. See MPEP §§716.03 and 716.06. The Applicant asserts that the Declaration and accompanying evidence support the position that it is not obvious to combine the cited references to obtain the recited claim subject matter.

The Applicant notes that the graphs in the Exhibits B-E are separated into two sets of graphs with one set covering the years 2004-2008 and the second set covering the years 2008-2010. Please note that the years 2004-2008 in the first set of graphs have a fiscal year January 1 – December 31, while the second set of graphs for 2008 – 2010 have a fiscal year of July 1 – June 30. Cachet Banq switched accounting methods in 2008, which accounts for this change. However, we believe it remains clear that the overall year to year trend remains positive even during the recent economic downturn.

The Applicant believes that the Declaration, which is accompanied by Exhibits provides evidence that is of probative value to the non-obviousness of the claimed invention and thus rebuts the *prima facie* case of obviousness. The Applicant requests that the Examiner consider *Pro-Mold and Tool Co. v Great Lakes Plastic Inc.*, 37 USPQ2d 1626 (Fed. Cir. 1996) in which the court stated that “Pro-Mold’s lack of previous experience in the relevant market combined

with its high sales of the patented product provided inference of a nexus between its commercial success and the patented invention and are thus probative evidence of non-obviousness.” *Pro-Mold and Tool Co. v. Great Lakes Plastic Inc.*, at 1630. Further, the Court states that Pro-Mold’s “lack of market power in this field would seem to suggest that it was features of the patented invention that lead to the commercial success.” *Id.* at 1630.

The Applicant believes that the facts of their case are analogous to that of Pro-Mold’s case. Cache Banq is a relative new market entrant with the FLEXACH® service and did not have any market power at the time it was introduced. Cachet Banq has had a minimal marketing campaign for FLEXACH® including a basic website. Rather, it is well known that the payroll services market is dominated by ADP, Paychex and Ceridian, which do not offer products with the features set forth in the claims including the third party payroll ACH service provider and payroll vendor separation. Further, these features that distinguish our product FLEXACH® are recited in the claims of the application giving the commercial success a nexus with the claims. Thus, the success of FLEXACH® is tied to the claimed features of the present application and therefore probative of non-obviousness of the claimed invention.

Further, for reasons set forth above and in the accompanying Declaration, the Applicant respectfully requests reconsideration and withdrawal of the obviousness rejection of claims 1-22.

CONCLUSION

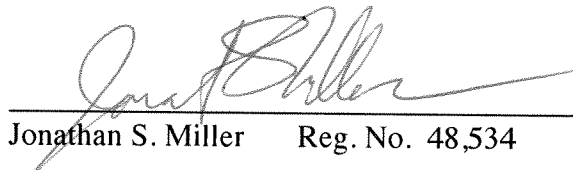
In view of the foregoing, it is believed that all claims now pending patentably define the subject invention over the prior art of record, and are in condition for allowance and such action is earnestly solicited at the earliest possible date. If the Examiner believes a telephone conference would be useful in moving the case forward, he is encouraged to contact the undersigned at (310) 207-3800.

If there are any additional fees due in connection with the filing of this response, please charge those fees to our Deposit Account No. 02-2666.

Respectfully submitted,

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Dated: 9/2, 2010


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I hereby certify that this paper is being transmitted online via EFS Web to the Patent and Trademark Office, Commissioner for Patents, Post Office Box 1450, Alexandria, Virginia 22313-1450, on 9-2, 2009.


Melissa Stead 92, 2010